

Message Text

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11

ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 AGR-05 AGRE-00 COME-00 TRSE-00

L-03 H-02 FTC-01 CIAE-00 INR-07 NSAE-00 /036 W

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R 270900Z SEP 76

FM AMEMBASSY TEHRAN
TO SECSTATE WASHDC 9267

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DEPT PASS AGRICULTURE

EO 11652: NA

TAGES: EAGR, BEXP, IR

SUB: COMPLAINT BY U.S. RICE EXPORTERS--CONGRESSIONAL INTEREST

REF: STATE 233784

1. EMBASSY WELL AWARE OF DEMURRAGE PROBLEM, BUT ARKANSAS RICE EXPORTERS CLAIM ONLY A PART OF TOTAL DEMURRAGE OWED BY FOREIGN TRANSACTIONS COMPANY (FTC). ONE TRADE SOURCE ESTIMATES TOTAL AMOUNT RECEIVABLE FROM FTC ON RICE, VEGETABLE OIL AND WHEAT SHIPMENTS AT \$30 MILLION, WITH SOME CLAIMS OVER A YEAR OLD. DELINQUENT DEMURRAGE HAS NOT BEEN A PROBLEM WITH OTHER GOVERNMENT AGENCIES IMPORTING AGRICULTURAL PRODUCTS.

2. AGATTACHE AND E/C OFFICERS HAVE VISITED FTC SEVERAL TIMES OVER PAST SIX MONTHS, REQUESTING PAYMENT OF SPECIFIC CLAIMS AND URGING ORGANIZATION TO DEVELOP PROCEDURE FOR PROMPT PAYMENT ALL DEMURRAGE.

3. UNDERSECRETARY AZMUDEH, WHO HEADS FTC SINCE IT SHAKEN BY SCANDAL IN FEBRUARY 1976, HAS AT TIMES PROMISED IMMEDIATE SETTLEMENT, AS IN CASE OF RICELAND DURING SENATOR BUMPERS' AND LESLIE CARTER'S JUNE VISIT TO TEHRAN BUT THEN ENDS UP GIVING EXCUSES FOR FURTHER DELAY.

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4. INITIALLY, THE EXCUSE WAS INCOMPLETE DOCUMENTATION

FROM SHIPPERS. LATER, AZMUDEH PLEADED INSUFFICIENT FUNDS, STATING THAT FTC HAD REQUESTED A SUPPLEMENTAL APPROPRIATION AND WOULD THEN SETTLE ALL CLAIMS AT THE SAME TIME. HIS LATEST DELAYING ACTION WAS ALLEGED NEED TO EMPLOY AN EXPERT FROM THE U.K. TO REVIEW ALL CLAIMS TO DETERMINE THEIR LEGITIMACY.

5. AGATTACHE PHONED AZMUDEH SEPTEMBER 23, ASKING WHEN EXPORTERS COULD EXPECT PAYMENT OF LONG OVERDUE DEMURRAGE CLAIMS. AGATTACHE RECOUNTED GROWING PRESSURES ON EMBASSY FROM EXPORTERS AND SUGGESTED THAT MANY U.S. FIRMS TRADITIONALLY SUPPLYING RICE, VEGETABLE OILS AND WHEAT MAY BE RELUCTANT TO BID ON FURTHER FTC TENDERS UNTIL THEIR CLAIMS ARE SETTLED. THE UNDERSECRETARY RESPONDED THAT THE BRITISH EXPERT AND AN FTC ACCOUNTANT HAD FINISHED REVIEWING DEMURRAGE CLAIMS AND THEY WERE NOW READY TO SETTLE, BASED ON THE FOLLOWING CONDITIONS WHICH WILL BE TELEXED TO EXPORTERS WITHIN A FEW DAYS:

- A) CLAIMANTS MUST SUBMIT TO FTC THE ORIGINAL CHARTER PARTY CONTRACT, NOTARIZED IN U.S. AND AUTHENTICATED BY AN IRANIAN CONSULATE.
- B) THE FTC WILL REVIEW THE CLAIM AND IMMEDIATELY PAY THE SHIPPER AN AMOUNT BASED ON WHAT FTC CONSIDERS A FAIR RATE FOR DEMURRAGE (SUPPOSEDLY THE \$4,000 LIMIT MENTIONED IN REFTEL).
- C) IF THE AMOUNT CLAIMED EXCEEDS THAT CALCULATED BY FTC, THE CLAIMANT MAY APPEAL AND SUBMIT JUSTIFICATION FOR THE DIFFERENCE.
- D) AN UNSPECIFIED ARBITRATOR WILL THEN DETERMINE WHAT, IF ANY, ADDITIONAL PAYMENT IS DUE THE CLAIMANT.

6. FTC COMMERCE DIRECTOR ESMAIL AMIRI INDICATED NO KNOWLEDGE OF ALLEGED REQUIREMENT THAT RICE BE SHIPPED IN 100 KILO BAGS. THIS SEEMS ABSURD, SINCE ALL RICE NOTED IN IRANIAN MARKETS WAS PACKED IN 50 KILO BAGS.

7. COMMENT: HOPEFULLY THE LONG OUTSTANDING PROBLEM OF DEMURRAGE CLAIMS MAY BE APPROACHING SOLUTION. SINCE PROMISES HAVE BEEN LIMITED OFFICIAL USE

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MADE BEFORE, AND BROKEN, E/C OFFICERS AND AGATTACHE PLAN TO CALL ON COMMERCE MINISTER TASLIMI SOONEST TO FURTHER EMPHASIZE U.S. CONCERN, PARTICULARLY IF FTC UNILATERALLY FIXES DEMURRAGE LIMIT REGARDLESS OF VESSEL SIZE OR CARGO. EMBASSY WILL STRONGLY URGE ADOPTION GOI POLICY AND PROCEDURES ENABLING PROMPT PAYMENT OF DEMURRAGE IN FUTURE. WILL ADVISE ASAP RE MEETING WITH MINISTER TASLIMI.
HELMS

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Margaret P. Grafeld
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